Center for Strategic and International Studies (CSIS)

The Fabulous Five How Foreign Actors Prop up the Maduro Regime in Venezuela
Author(s): Moises Rendon and Claudia Fernandez
Center for Strategic and International Studies (CSIS) (2020)
Stable URL: https://www.jstor.org/stable/resrep26421
Accessed: 19-05-2025 18:18 UTC

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at https://about.jstor.org/terms

Center for Strategic and International Studies (CSIS) is collaborating with JSTOR to digitize, preserve and extend access to this content.

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

CSIS BRIEFS

The Fabulous Five

How Foreign Actors Prop up the Maduro Regime in Venezuela

By Moises Rendon and Claudia Fernandez

OCTOBER 2020

"The Venezuelan crisis long ago stopped being a local issue. It became a regional issue and it is now an issue with diverse global implications. Understanding the influence and interests of other countries in Venezuela is a necessary condition to finding the way for a successful transition to democracy in the country and a route to lasting stability in the region."

—Francisco Santos, Colombian Ambassador to the United States

THE ISSUE

The Maduro regime would not be in power today were it not for the support it receives from its five key allies: Russia, China, Cuba, Iran, and Turkey. These states provide varying degrees of financial, diplomatic, and intelligence support to the Venezuelan regime. Some of these states have maintained close ties with Venezuela since the early years of the Hugo Chávez presidency. Others have emerged as new lifelines amid mounting international pressure. Russia, China, Cuba, Iran, and Turkey each have distinct financial and geopolitical motivations for propping up the Maduro regime and thus merit specific and nuanced policy approaches.

EXECUTIVE SUMMARY

Russia and Venezuela have a longstanding financial, political, and diplomatic partnership. With little regard for commercial risk, Russia continues to act as a lender of last resort, help Venezuela circumvent oil sanctions, fuel disinformation campaigns, and provide military supplies to the Maduro regime.

China is owed by Venezuela at least $20 billion in loans established before 2017. It continues to be a strong—albeit quiet—supporter of the Maduro regime and has significantly reduced its commercial forays into Venezuela in recent years.

Iran and Venezuela have had a symbolic and heavily rhetorical partnership since the early years of the Chávez administration. In recent months, they have rekindled their partnership, finding common ground as two states that are deeply isolated on the world stage.

Cuba is existentially dependent on Venezuela but also continues to have tremendous sway over the Maduro regime's intelligence apparatus, the Venezuelan military, and the regime's ideological rhetoric. The ideological linkages between the two countries run deep and emerged at the beginning of the Chávez administration.

Turkey is a relatively new partner for the regime and has emerged as a facilitator of Venezuela's illicit gold trade. This partnership is the most unusual of the five given that Turkey maintains constructive diplomatic relations with the United States.

The United States, the European Union, the Lima Group, the Venezuelan interim government, and others who seek to facilitate a democratic transition should understand the nuances and historical context of these countries' involvement in Venezuela.

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

POLICY RECOMMENDATIONS

FOR THE UNITED STATES GOVERNMENT

- Announce and publicize **indictments against Russian citizens** who violate U.S. law in their business dealings with Venezuela.
- Create and update a public online database of Russian military and diplomatic personnel present in Venezuela to promote **transparency and accountability.**
- Publicly track **Russian and Iranian ships on the way to or from Venezuela**. Open a public website that provides name, cargo, and navigational data for all known vessels used by the Maduro regime and its allies to circumvent sanctions.
- The United States and other allies of the Venezuelan interim government should **maintain pressure** on Iran—including civil forfeiture and targeted sanctions for entities that are helping the Maduro regime evade sanctions.
- Assure the Russian and Chinese governments that all contracts approved by a democratically elected National Assembly should be honored by the Venezuelan interim government and subsequent democratic governments in Venezuela. Contracts not approved by the National Assembly **will be honored depending on the posture and actions** of these states leading up to and during a transition.
- Leverage the relationship between Turkey, the United States, and EU countries (especially Germany) to pressure President Erdogan to play a constructive role in resolving Venezuela's political crisis.

FOR THE INTERIM GOVERNMENT AND ITS OTHER ALLIES

- Issue a Lima Group declaration noting that unofficial **paramilitary groups** (such as the Russian Wagner group) operating in Venezuela **do not enjoy diplomatic immunity or protection**.
- Engage with China via other partner nations aside from the United States, such as Chile and Brazil, which maintain constructive relations with China.
    - These discussions should focus on the potential role for China under a democratic government in Venezuela and reiterate the regional reputational costs of China's continued support for the Maduro regime.
    - This engagement effort could be coordinated by a working group of independent experts from the Venezuelan diaspora, including economists, diplomats, and humanitarian relief experts.
- Countries that maintain constructive diplomatic relations with Cuba, such as Canada, Mexico, and Spain, should make a renewed and coordinated attempt to engage the Cubans on the issue of Venezuela. The Venezuelan interim government and its international allies could agree on strategic assurances to the Cubans in case of a political transition. These could include, for example:
    - A commitment to maintain the ALBA-1 cable
    - A plan to maintain engagement with the Cubans on specific aspects of reconstruction, such as public health.

ANALYSIS

I. RUSSIA

There appears to be no intuitive reason for Russia to have an economic or security interest in Venezuela. The countries are 7,000 miles apart and share little historical or cultural affinities. Venezuela's main assets are oil and gas, of which Russia has plenty. And yet, Russia has established itself as one of the most important partners of the Maduro regime. Between 2004 and 2020, the Russian Embassy in Caracas grew five-fold. For Vladimir Putin, this partnership is part of a geostrategic effort to counter what he has described as a unipolar world order. For Nicolás Maduro, the partnership with Russia is essential. With little regard for commercial or financial risk, Russia acts as a lender of last resort, helps Venezuela circumvent oil sanctions, fuels disinformation campaigns, and provides military supplies to the Maduro regime.

Russia and Venezuela's strategic partnership emerged in the early years of the Chávez presidency, as Putin sought to counter U.S. interests in the region and re-establish Russia's prominence on the world stage. Though Russia had historic ties to the Castro regime in Cuba, Venezuela quickly emerged as an obvious partner for this endeavor. Chávez had, since the beginning of his presidency, challenged the United States' influence in the region. Though Chávez met with Putin three times in the first few years of his presidency, the relationship strengthened tremendously after 2004. By this point, Chávez was beginning to reap the benefits of an unprecedented oil bonanza, and he brought several Russian oil companies into the mix. Chávez had also started cultivating the anti-

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

United States Bolivarian Alliance for the Peoples of Our America (Alianza Bolivariana para las Américas, ALBA). The **alliance**, organized in 2004, envisioned a regional economic integration of the Americas based on social welfare, equity and mutual economic aid instead of a trade liberalization model. The ALBA diplomatically supported Russia in key conflicts, including the Georgian war (2008), the 2015 annexation of Crimea, and the Syrian conflict.

Oil/Energy/Mining

The energy sector is the centerpiece of Caracas's relationship with the Kremlin. Beginning in the early 2000s, top Russian energy firms, including Rosneft (partially owned by the Russian government), Lukoil, Surgutneftegas, and Gazprom, established ties with the Venezuelan state oil company, Petróleos de Venezuela, S.A. (PDVSA), and eventually created a **joint venture** to drill for heavy crude oil in the Orinoco River basin. Most of these companies sold their shares to Rosneft, which, despite increasing financial risk, continued to sink billions of dollars into Venezuela. Rosneft, under the leadership of Igor Sechin, invested **$9 billion** into Venezuelan oil and gas projects between 2010 and 2015 and has yet to break even. These projects produced far less than originally projected due to chronic equipment shortages, a lack of technical personnel and, of course, corruption. In 2015, for example, Rosneft internal auditors noted that PDVSA could not account for a **$700 million** hole in the balance sheet of one of their joint ventures.

Rosneft later became the primary vehicle through which PDVSA could circumvent U.S. sanctions. In 2019, Rosneft handled **over a third** of Venezuelan crude, bringing it to markets such as India and China at deeply discounted rates. When Rosneft itself was sanctioned in February and March of 2020, it transferred its Venezuela operations to a separate Russian state-owned entity. The Russian government now controls **multiple oil fields** and holds a lien on 49.9 precent of PDVSA's U.S.-based subsidiary, Citgo.

Military

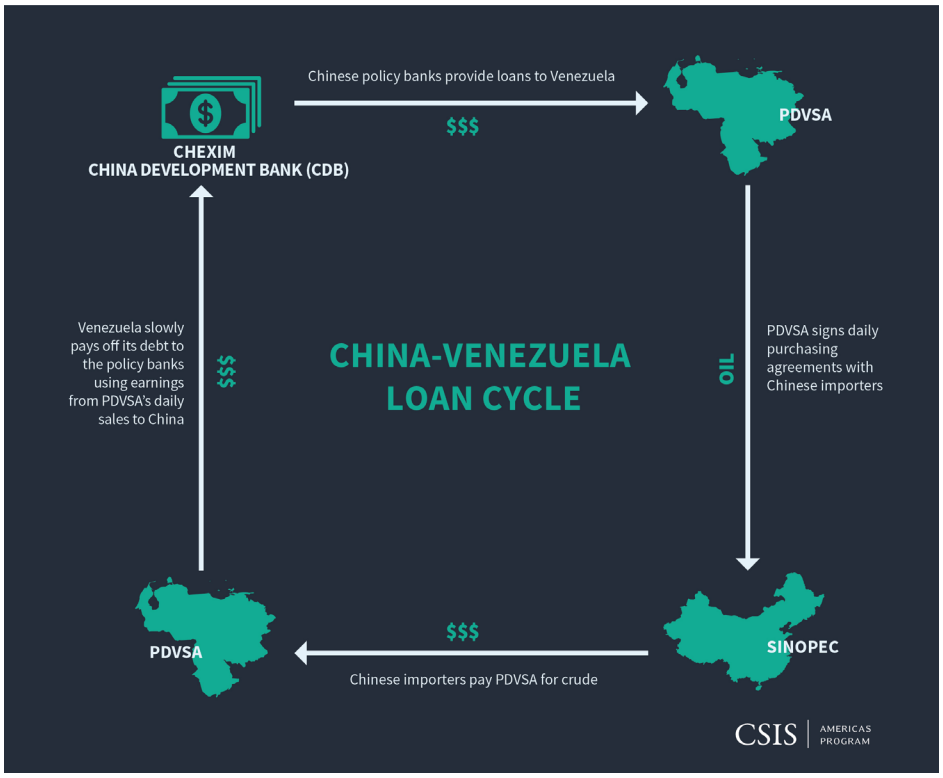
Venezuela and Russia have also maintained a strong military partnership. Along with other members of the ALBA alliance, Chávez **offered** to let Russia use a Venezuelan military base in La Orchila, an island in the Caribbean. Beginning in the Chávez years, Russia sold Venezuela billions in military

In July 2016, Maduro signed a series of agreements with Igor Sechin, the CEO of Rosneft, to expand oil production and cooperation.

EDERICO PARRA/AFP via Getty Images

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

equipment, including tanks, fighter jets, and small arms. While many of the purchases involved advance payments in oil, as of 2019, Venezuela owes Russia at least **$10 billion** for fighter jets it purchased between 2009 and 2014. The two countries also reportedly established **a factory** in Venezuela to produce Kalashnikov rifles, as well as **a facility** to train Venezuelan pilots to fly Russian-made helicopters.



Just as Maduro faced increasing pressure, Putin underscored his support through symbolic military gestures largely aimed at irritating the United States. In December 2018, Putin temporarily sent **two nuclear bombers** to Venezuela. Three months later, two Russian military planes **arrived in Caracas** bearing troops and equipment. Furthermore, the Kremlin's involvement in Venezuela even includes semi-state groups that give Russia plausible deniability. In 2019, there were reports that a private Russian **mercenary group** had entered Venezuela via Cuba to protect Nicolás Maduro. The presence of such groups further complicates the delicate security situation during a transition, particularly given that Russia would be quick to disavow these groups—as it did in Syria—when and if something went wrong.

Disinformation/ Repression

Russia's support extends far beyond the energy and military sectors. For example, Russian businessmen helped Maduro create Venezuela's oil-backed cryptocurrency, the Petro. When the Petro was launched, the only international financial institution willing to finance it was a **Russian Bank**. Russian media outlets, like Russia Today (RT) and Sputnik, consistently publish pro-Maduro disinformation. Some disinformation campaigns in Venezuela have reportedly been **traced** back to the Internet Research Agency, the same troll factory accused of intervening in the 2016 United States' presidential election.

II. CHINA[1]

In 2006, late president Hugo Chávez **declared** that Venezuela and China were on the path to building "a strategic alliance with the strength of the Great Wall." The two countries had just signed another trade agreement through which China would purchase oil and refined fuels from Venezuela. In return, China would support Venezuela's bid to join the United Nations Security Council.

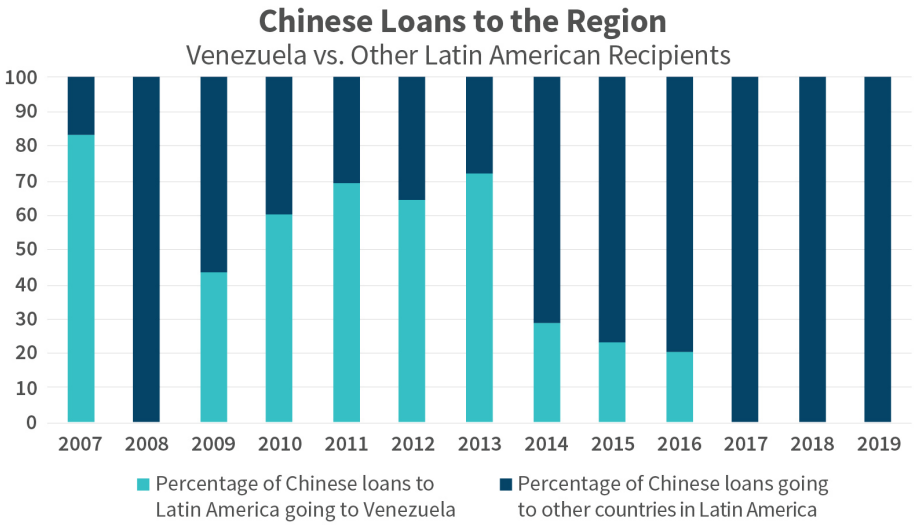
Drawing parallels between Mao Zedong and his own ideology of twenty-first century socialism, Chávez had, since early in his presidency, courted China as an alternative to the United States' political and economic hegemony in the region. The Chinese, according to Chávez, offered more flexible loans "**without strings attached**." Indeed, unlike traditional Western lenders, China mitigated political risk in many of its state-to-state loans, for example by collateralizing them through parallel contracts under which the loan recipient would deliver commodities to Chinese importers, including oil and gas companies such as Sinopec. This allowed China to secure the commodities it needed to supply its growing economy. By 2015, China had loaned Venezuela more than $64 billion dollars, primarily through two of its largest policy banks.

The two countries cooperated in a range of sectors, from petroleum, to transportation infrastructure, mining, agriculture, manufacturing, and telecommunications. China ultimately built and launched three Venezuelan satellites and associated ground control and communications infrastructure. In addition, China signed commitments to build 20,000 homes, a **$7.5 billion** high-speed rail, and Latin America's biggest rice

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

President Xi Jinping and Nicolas Maduro signed a $4 billion oil deal in July 2014.

LEO RAMIREZ/AFP via Getty Images



Source: The Inter-American Dialogue, China-Latin America Finance Database

CSIS | AMERICAS PROGRAM

processing plant. Many of these efforts stalled due to red tape, corruption, and dwindling technical expertise inside Venezuela. This would prove to be a common theme in Venezuela's partnerships with other countries, such as Iran. The railway remains unbuilt and the rice plant, which involved millions of dollars in bribes, currently produces at less than **1 percent of capacity**.

After Chávez died and the price of oil plummeted in 2014, Chinese lenders became much more cautious. They recognized the political risk with a government prone to economic mismanagement. While President Xi Jinping continued to cooperate with the Maduro regime, financing was channeled **primarily through joint ventures**. Many of these ventures were specifically designed to boost Venezuela's oil production since the country was barely producing enough to repay its oil-backed loans.

Whereas Venezuela received 64 percent of China's loans to Latin America in 2012, by 2016 it received only 10 percent and almost no Chinese investment.

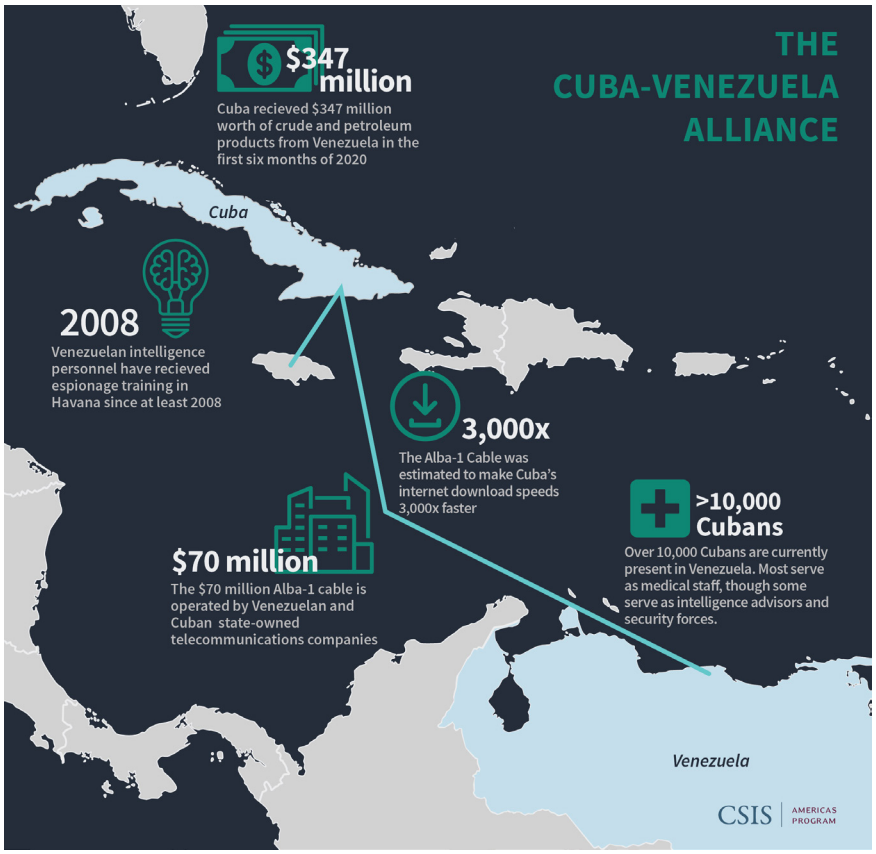
China's current posture in Venezuela is misunderstood. They are still owed $20 billion of the more than $64 billion they have loaned to the country since 2008. But that amount is modest relative to China's **$1 trillion sovereign wealth fund**, and not enough to motivate China to facilitate a solution that would strengthen Washington's position, U.S.-style democracy, and free markets in the region, particularly in the context of increasingly tense U.S.-China relations. Chinese officials have held informal conversations with **interim president Guaidó's government**, which allow them to maintain channels of communication with the opposition and persuade them to honor China's contracts if and when a transition occurs. But Chinese officials argue that the Venezuelan military still supports Maduro. Therefore, the Chinese believe that the chances of seeing a political transition in Venezuela are still low and operate their foreign policy accordingly.

China continues to be a strong—albeit relatively quiet—ally to the Maduro regime. Most recently, the two countries negotiated another grace period for an upcoming debt obligation—this time for a **$3 billion payment** originally scheduled for this year. Despite stiff U.S. sanctions, China has continued to import Venezuelan oil, at times concealing this trade through **ship-to-ship transfers**. In 2019, China unsurprisingly **vetoed** a U.S.-backed

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

resolution in the United Nations calling for free and fair presidential elections. The Maduro regime has also relied on China for disinformation campaigns and other repressive technology, including a widely criticized **national ID card** that can be used to allocate government assistance to those who are politically loyal to the regime. And, though China has not sold Venezuela military equipment in two years, some of the **armored vehicles** it provided during the Chávez presidency were used **to repress protests** in 2019. In the context of the current Covid-19 pandemic, China has been a key lifeline for the Maduro regime. It has sent medical personnel and at least **six flights with a total of 300 tons of medical supplies**, including quick tests, facemasks, and other personal protective equipment.

Ultimately, though China continues to support the Maduro regime, it occupies a distinct space from Russia, which has been far more willing to take on large financial risks to continue supporting the Maduro regime. Regardless of its current political stance, China could certainly play a large role in Venezuela's economic reconstruction, as interim president Guaidó has **argued**.


THE CUBA-VENEZUELA ALLIANCE
$347 million
Cuba recieved $347 million worth of crude and petroleum products from Venezuela in the first six months of 2020
Cuba
2008
Venezuelan intelligence personnel have recieved espionage training in Havana since at least 2008
3,000x
The Alba-1 Cable was estimated to make Cuba's internet download speeds 3,000x faster
$70 million
The $70 million Alba-1 cable is operated by Venezuelan and Cuban state-owned telecommunications companies
>10,000 Cubans
Over 10,000 Cubans are currently present in Venezuela. Most serve as medical staff, though some serve as intelligence advisors and security forces.
Venezuela
CSIS | AMERICAS PROGRAM

Fidel Castro visited Venezuela in 2000—his first official state visit to the country in nearly 40 years.

JUAN BARRETO/AFP via Getty Images

III. CUBA

Since Hugo Chávez's rise to power, Cuba and Venezuela have had a close relationship of mutual benefit. Unlike other allies—Russia, China, Turkey and Iran—with whom Venezuela maintains more commercial and transactional relationships, Cuba is an ideological ally that, to this day, still plays a strong advisory role in Venezuela's domestic and foreign affairs.

Cuba's Apprentice

Fidel Castro's first meaningful visit to Caracas dates back to 1959, when he tried to spread the Cuban Revolution among the masses and throughout the region. But it wasn't until Hugo Chávez visited Cuba in 1994, after being pardoned for his role in an attempted coup, that Castro became Chávez's mentor. The two shared a similar vision of a Latin American bloc united in opposition to the Washington Consensus and deeply rooted in Revolutionary Marxism. Castro and Chávez built a close friendship; in the first five years of Chávez's presidency, they visited each other at least 15 times—exchanges during which the first waves of Cubans were sent to Venezuela.

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

But this so-called "*padre-hermano*" relationship between the two heads of state consisted of more than just a mentorship in political ideology. In 2000, the countries signed an oil agreement in which Venezuela agreed to **export** 53,000 barrels of oil per day for five years—a third of Cuban consumption—and in return, Cuba provided Venezuela with generic medicine, vaccines, medical equipment and treatments. The pact was doubled in one year and by 2003, Cuba owed Venezuela $190 million. This exchange continued throughout Chávez's presidency. By 2011, Cuba **imported** 61 percent of its total oil supply form Venezuela.

As the relationship grew stronger, Chávez began adapting the Cuban model to Venezuela. By 2004, 20,000 Cubans that worked for the state had **arrived** in Venezuela to implement literacy, sports training, and healthcare programs (including government programs such as ***Misión Barrio Adentro***).[2] By 2015, an **estimated** 40,000 Cuban technical personnel including nurses, instructors, physicians, teachers, and sports trainers as well as intelligence, security, and military officers had come into Venezuela. With this progressive occupation came tremendous ideological influence and the foundation of an entire intelligence **network** at the service of the Cuban regime.

Venezuela also helped Cuba dramatically increase its telecommunications capabilities by building a fiber telecommunications submarine cable, the ALBA 1, aptly named after Chávez and Castro's ALBA Alliance.

Cuban Influence in Venezuela Today

After Chávez, and later Castro, died, Cuba and Venezuela's relationship sustained itself more through a mutual need for self-preservation than through any sort of personal relationship between Maduro and the Cuban regime. Cuba continues to depend on Venezuela for oil—receiving an average of 105,000 barrels per day of Venezuelan crude as recently as May of this year. Furthermore, Venezuela still controls a large part of Cuba's communications system and it is expected to do so for another 18 years, which is the amount of time ALBA-1 is expected to continue operating.

On the other hand, Cuba is an integral element of the system of social control and repression that the Maduro regime uses to stay in power. Cubans continue to **provide** intelligence support and monitor domestic and internal military activities, primarily through the Directorate General of Military Counterintelligence (Dirección General de Contrainteligencia Militar, DGCIM). To protect the regime, these **security forces** imprison and torture political dissidents and civilians protesters. Since 2014, Human Rights Watch has **reported** more than 380 cases of human rights abuses by the security forces and 31 cases of torture. Cuban officials reportedly play a **central** role, not just by helping to plan these operations, but by training Venezuelan officials in interrogation techniques, including torture methodology. Based on their own experiences, Cuba also helps Venezuela develop and execute effective **disinformation** campaigns.

Cubans continue to provide intelligence support and monitor domestic and internal military activities, primarily through the Directorate General of Military Counterintelligence.

Cuba is so dependent on Venezuela that the possibility of a political transition there represents an existential threat to the Castro regime. It is not in Cuba's best interest for Venezuela to achieve a negotiated solution and restore its democracy. Accordingly, Cuba exerts significant influence on the Maduro regime's security apparatus and has arguably done more than any other state to secure Maduro's grasp on power.

IV. IRAN[3]

Iran made headlines throughout the summer for continuing to support the Maduro regime, primarily by shipping fuel to Venezuela amid chronic shortages. This support raised concerns in the United States and throughout the Western Hemisphere regarding a strengthening alliance between two nations that have consistently harbored anti-U.S. sentiment. On August 14, the United States **seized** two fuel tankers bound for Venezuela carrying 1.12 million barrels of gasoline. The move came as the UN Security Council overwhelmingly rejected the Trump administration's resolution to indefinitely extend the global arms embargo on Iran.

Iran has consistently defied the United States' maximum pressure campaign to oust the Maduro regime and restore democracy in Venezuela. The growing

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

partnership between the two countries is worrisome but should be understood in the grand scheme of Iran-Venezuela relations.

A Longstanding Relationship

As policymakers consider responses to Iran and Venezuela's partnership, they would be best served to recall that the two countries have had a diplomatic and commercial relationship for decades—one that was much stronger and more alarming during the Chávez presidency than it is today. This relationship has often generated provocative headlines while failing to deliver on tangible achievements.

The two countries, both founding members of the Organization of the Petroleum Exporting Countries (OPEC), have had a bilateral relationship since before Iran's 1979 revolution. When the Shah was overthrown in 1979, Venezuela was one of the first countries to recognize the new Iranian government. For the next two decades, the countries' collaboration was limited to the oil industry.

This relationship intensified, however, when Chávez became president. Between 2001 and 2013, there were dozens of diplomatic visits between the Chávez and the Khatami and Ahmadinejad administrations. The two countries signed an **estimated 300 agreements** of varying importance and value, ranging from working on low-income housing developments to cement plants and car factories. They even established a joint development fund and opened a development bank under the structure of Iran's Export Development Bank (EDBI). By 2012, Iran's investments and loans in Venezuela were **estimated** to be between $15 and $20 billion.

Most of these initiatives petered out before they were completed. A car factory, which Chávez claimed would manufacture **25,000 units per year**, produced fewer than **2,000** units in 2014. A cement factory, which was announced in 2005, did not start production until 2012. Some of the initiatives reportedly were also used to facilitate illicit activities. In 2009, for example, Turkish officials seized 22 Iranian containers bound for Venezuela which were labeled as "tractor parts" but **reportedly** contained materials for an explosives lab. The Export Development Bank of Iran (EDBI) was **sanctioned** by the United States and the European Union for alleged linkages to Iran's nuclear weapons program.

Chávez's Vision for Iran in Latin America

The relationship was symbiotic. With little actual investment, Iran's development efforts inside Venezuela boosted Chávez's image and advanced his anti-imperialist agenda throughout the region. For Iran, Venezuela became a beachhead for diplomatic and commercial expansion into Latin America. Chávez ushered the Iranians to his regional allies, opening up channels of communication that led to agreements between Ahmadinejad and the governments of Ecuador, Bolivia, and Nicaragua. As Iran faced increasing financial isolation due to U.S. sanctions, Venezuela—through the ALBA alliance—helped open up vital trade links.

Iran and Venezuela's Growing Partnership

The relationship between Iran and Venezuela began to dwindle after Chávez died in 2013. After all, the two countries share few areas of natural commonality. Amid plummeting oil prices, Ahmadinejad's successor, President Rouhani, stopped prioritizing Venezuela. Aside from a few bilateral agreements of questionable heft,

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

Maduro had generally been unable to maintain the sort of relationship with Iran that Chávez envisioned. To the extent there has been a relationship in recent years, it was **driven primarily** by links between the office of the Iranian supreme leader and a handful of senior Venezuelan military leaders.

But this relationship has been rekindled in recent months as both countries face mounting pressure from the international community. The crux of this partnership consists of evading U.S. sanctions, primarily through shipments of fuel and refining materials to Venezuela, where an acute gasoline shortage has paralyzed food distribution and internal transportation. Iran shipped 1.53 million barrels of gasoline to Venezuela in June. A second shipment was confiscated by the United States Department of Justice on August 14. In early October, three more Iranian tankers **docked** at Venezuelan ports, and another vessel reportedly loaded 1.9 million barrels of Venezuelan crude for the National Iranian Oil Company.

Iran also attempted to help Venezuela restart a major refinery—reportedly in exchange for **payment in gold bars**—but the refinery **shut down** again less than two months later. Any efforts by Iran to increase Venezuela's refining capacity will hinge primarily on the countries' ability to carry out technical upgrades without delays, corruption, and mismanagement.

In the past, Iran has demonstrated an interest in providing short-range missiles to its ideological partners, as well as armed drones and kits that can be used to improve existing rocket systems. There is a possibility that Venezuela is interested in purchasing missiles, as was recently reported by Colombian intelligence, but the status of this effort is uncertain. It is unclear whether Iran is ready to provide these missiles or how Venezuela would pay them.

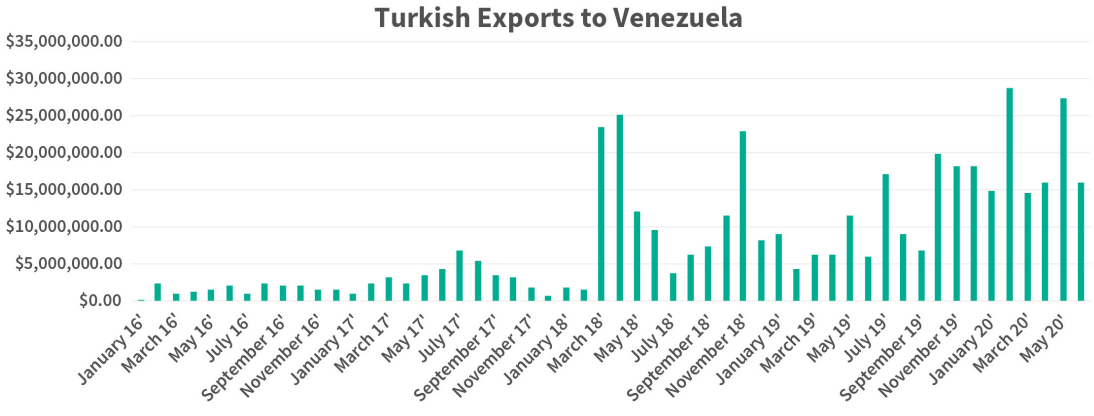
V. TURKEY

On August 18, Turkish Foreign Minister Mevlut Cavusoglu visited Venezuela and brought with him much-needed medical aid to fight Covid-19, **including** more than two dozen ventilators and thousands of testing kits and masks. This gesture represents a growing partnership between two countries that, less than a decade ago, barely exchanged ambassadors. This partnership provides the international community an opportunity to pressure the Venezuelan regime through Ankara.

An Unlikely Friendship

For decades, Venezuela and Turkey's relationship was mostly dull, save for a few diplomatic scuffles. In 2005, for example, the Venezuelan National Assembly passed a resolution recognizing the Armenian genocide, eliciting the anger of Ankara. Then, **during** the Arab spring, Chávez staunchly supported Bashar al-Assad and Muammar Qaddafi—a position diametrically opposed to Turkish President Erdogan's, who pushed for a regime change in Syria and supported military operations in Libya. This **led** to a period of diplomatic tension between the two countries.

However, after the July 2016 failed coup attempt in Turkey, President Erdogan (whose supporters **claim** significant U.S. involvement) adopted an anti-Western and anti-American foreign policy stance. That is where he and Maduro found common ground. Maduro, who was **quick** to support Erdogan during the uprising, met with him in October 2016 in Istanbul. Soon after, Turkish Airlines initiated direct flights to Caracas and, in just two years, bilateral trade between the two countries **tripled** in volume. The two heads of state have met on three occasions since 2016, and there have been another half a dozen high-level meetings between the Maduro regime and the Turkish government.



Source: Turkish Ministry of Trade

CSIS | AMERICAS PROGRAM

Venezuela ranks lower in Erdogan's foreign policy priorities than other issues—such as Turkey's military involvement in Syria, northern Iraq, and Libya. Nevertheless, Erdogan and Maduro share a strong personal relationship

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

and bilateral relations with Venezuela are important to Turkey in the broader context of Erdogan's foreign policy. The relationship fits into Erdogan's sustained drive in recent years to assert Turkish independence in all aspects of foreign policy and it derives strength from Erdogan's perception that the two leaders are facing similar threats. For example, when Juan Guaidó was sworn in as interim president of Venezuela, the Turkish media **compared** the episode to the July 2016 coup attempt in Turkey, and Erdogan **called on** "[his] brother" to stay strong.

Turkey Is an Economic Lifeline to Venezuela

For Turkey, Venezuela is a peripheral actor of relatively little geopolitical or economic significance. By contrast, for Venezuela, Turkey is an economic and political lifeline amid increasingly suffocating sanctions and diplomatic isolation. In 2018, following sanctions targeting Venezuela's gold industry, the Maduro regime announced that it would move its gold refinery operations from Switzerland to Turkey. The same year, Turkey **emerged** as a major importer of Venezuelan non-monetary gold, importing **around** $900 million worth of the metal between January and November.

The gold trade occurred through a network of shell companies, some of which were presumably set up for Venezuela to trade gold for food. At least one scheme involved Alex Saab, a regime confidant who is currently in custody in Cape Verde. Saab **bought** gold from so-called artisan miners in **southern Venezuela** and sold it to the Central Bank of Venezuela. The Central Bank then exported the gold to Turkey and with the proceeds, **financed** the purchase of consumer goods. Saab, through his Istanbul-based shipper Mulberry Proje Yatirim, bought the food in Turkey at an overvalued price and then imported it back to Venezuela for Maduro's Local Committees for Supply and Production (Comité Local de Abastecimiento y Producción, CLAP) program.

Back in Venezuela, Turkish products **became** a staple in Venezuelan supermarkets. Last year, Turkey **exported** $131.6 million worth of goods to Venezuela—78 percent of which consisted of consumer goods such as cereal, milk products, and soap. Just five years ago, before Maduro and Erdogan's first face-to-face meeting, Turkish exports to Venezuela totaled just $18.7 million.

Maduro also found in Turkey a reliable buyer for Venezuelan oil in the aftermath of U.S sanctions. Increasingly cut off from international markets, Maduro saw yet another opportunity to capitalize on his close relationship with Turkey. Three months after the United States sanctioned PDVSA, a recently incorporated Turkish company, Group Iveex Insaat, started buying Venezuelan oil. In April of that year, the company, owned by Maduro's former Housing Minister, bought just under 8 percent of Venezuela's total monthly oil exports.

Diplomacy

Erdogan has staunchly defended Maduro diplomatically on several occasions. The Turkish head of state **does not** recognize Guaidó as the interim president and has forcefully **criticized** U.S. sanctions against the regime. During a press conference in Caracas last year, when asked about the countries' trade, Erdogan **responded** by asking, "Are we going to seek permission from somewhere about whom we will be friends with and with whom we will trade?"

Turkey is arguably the most distinct of the five countries covered in this report. Importantly, it is the only one of these countries that currently has a strong bilateral relationship with the United States. Indeed, Erdogan shares a **strong** personal relation with President Trump. Turkey is also a **member state** of NATO and could benefit from greater European support in some of its **key** strategic interests. Moreover, unlike Russia, China, Iran, and Cuba, Turkey's relationship with Venezuela is relatively new—it was cultivated by Maduro, not Chávez. Taking these factors into account, Turkey may represent an unexplored avenue for facilitating a democratic transition, and the United States and European Union should leverage their relationships with Turkey to pressure Erdogan regarding his support of Maduro.

[Turkey] is the only one of these countries that currently has a strong bilateral relationship with the United States.

CONCLUSION

It is important to underscore that Venezuela's current state of collapse is commercially suboptimal for many of these allies. Cuba, for example, has experienced sporadic fuel and cooking gas shortages because of the crisis in Venezuela. Russia, which has been a partner to PDVSA for years, has yet to break even on most of its energy

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

investments. China is still owed billions of dollars. And yet, these states continue to support the Maduro regime and its criminal enterprises, often to push back against U.S. interests in the region.

The Venezuelan interim government and its allies should continue pressuring the regime's "fabulous five," which have continued to help the Maduro regime evade sanctions, violate human rights, and profit from illicit activities. These alliances have distinct cultural, historical, and geopolitical nuances that should be more deeply explored. A better understanding of how these countries support the Maduro regime—and how far they are willing to go—may yield unexplored avenues for the interim government and its allies to find a peaceful democratic solution. ■

Moises Rendon *is director of the Future of Venezuela Initiative and a fellow with the Americas Program at the Center for Strategic and International Studies (CSIS) in Washington, D.C.* ***Claudia Fernandez*** *is a research associate with the Future of Venezuela Initiative.*

The authors are grateful to CSIS Senior Adviser Ambassador William Brownfield, CSIS Senior Adviser Juan Cruz, CSIS Senior Associate Bulent Aliriza, and Ambassador Francisco Santos for providing valuable insights. The authors are also grateful to Evan Ellis, CSIS Senior Associate, for contributing to this brief, and to Margarita R. Seminario, Deputy Director and Senior Fellow of the Americas Program, for reviewing a draft of this brief. The authors would also like to thank Estefania Perez Cuellar and Hector Correa for contributing to this brief.

Finally, the authors are grateful to the iDeas Lab for their work on this brief, especially Jeeah Lee, Katherine Stark, and Elizabeth Richardson.

This report is made possible by general support to CSIS. No direct sponsorship contributed to this report.

CSIS BRIEFS are produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s). *© 2020 by the Center for Strategic and International Studies. All rights reserved.*

Cover Photo: ATTA KENARE/AFP via Getty Images

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms

ENDNOTES

1 This section is an adaption of a recent CSIS piece: Evan Ellis, "Venezuela: Pandemic and Foreign Intervention in a Collapsing Narcostate," August 5, 2020, CSIS, White Paper, https://www.csis.org/analysis/venezuela-pandemic-and-foreign-intervention-collapsing-narcostate.

2 Alberto Barrera Tyszka, Hugo Chávez sin uniforme (Mexico: Penguin Random House, 2012), [304].

3 This section was adapted from an earlier CSIS piece: Moises Rendon, Antonio de la Cruz and Claudia Fernandez, "Understanding the Iran-Venezuela Relationship," June 4, 2020, CSIS, *Commentary*, https://www.csis.org/analysis/understanding-iran-venezuela-relationship.

This content downloaded from 83.28.245.221 on Mon, 19 May 2025 18:18:44 UTC
All use subject to https://about.jstor.org/terms